

Distribution Sub-Group (2020) Paper 26 – Latest RA and RO Data for the 2021-22 Settlement

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Latest RA and RO data for the 2021-22 Settlement

Summary

1. This paper looks at the impact of updating the Revenue Account (RA) and Revenue Outturn (RO) data compared to the previous year.
2. The 2020-21 RA data was collected around March 2020, therefore some authorities will have submitted on the basis of their budgets before Covid-19 and some will have submitted after the start of the pandemic.
3. The 2019-20 RO data is still undergoing validation and therefore the data may change before publication of the settlement.
4. This paper looks at the financial implications of updating the RA and RO data in the Standard Spending Assessment (SSA) build. *Please note that these figures are being run against the 2020-21 Final Total SSA Settlement distribution for the purposes of exemplification.*

Views sought

5. For information.

Related papers

6. Distribution Sub-Group (2020) Paper 22 – Updating the RA data for the 2021-22 Settlement

Distribution Sub-Group (2019) Paper 14 – Latest RA Data for the 2020-21 Settlement

Distribution Sub-Group (2018) Paper 20 – Latest RA Data for the 2019-20 Settlement

Distribution Sub-Group (2018) Paper 26 – Updating the (17-18) RO data for the 2019-20 Settlement

Background

7. The calculation of SSA sector totals uses the most up-to-date information at a total Wales level on the pattern of budgeted Unitary Authority expenditure (sourced from RA returns). For the 2020-21 Settlement, the 2019-20 RA forms were used. This paper updates the RA expenditure from 2019-20 to 2020-21 for the 2021-22 Settlement.

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8. The calculation of SSA service totals within each sector uses information at a total Wales level on the pattern of actual Unitary Authority expenditure (sourced from RO forms). For the 2021-22 Settlement, it is the intention that the latest expenditure data taken from the 2019-20 RO forms are to be used.
9. This paper provides exemplifications of the isolated changes of the RA forms, isolated changes of the RO forms as well as the combined changes of the RA and RO forms, run against the 2020-21 Settlement.
10. In light of the coronavirus (COVID-19) outbreak, the chief statistician made the decision that the majority of data collections from public bodies will be suspended to prioritise the development and publication of new statistical outputs to inform the public during the pandemic.
11. Although the 2020-21 RA and the 2019-20 RO forms were collected, they are yet to be published and are still undergoing validation. The figures provided in this paper are therefore subject to change and only the change in percentage shares will be shown at this point in time.

Changes in the RA data

12. Since the RA expenditure data was last used in the SSA build, there have been a few changes to the RA form mainly reflecting changes to specific grants. As there were no major changes between 2019-20 and 2020-21, we have not provided the detailed list, but these are available upon request. The changes to the structure of the RA form make no material difference to SSA build. The model has been adjusted to take into account these changes.
13. Table A in the annex shows the change in relative shares of budgeted expenditure by sector for the 2019-20 and 2020-21 RA data when split into the 6 sectors used in the SSA calculations (Schools services; Other Education; PSS; Transport; Fire and Other Services). Compared to the previous year the sector with largest relative decrease was *Other Services* sector, down 0.3 percentage points. The *Schools* sector had the largest relative percentage increase up 0.3 percentage points followed by PSS up 0.1 percentage points.

Financial implications

14. Within these exemplifications, any transfers and prioritisation included within the 2020-21 settlement, which are now expected to flow into the RO and RA data are removed. The inclusion of any transfers in, or prioritisation of funding to a sector will result in these figures changing.
15. Table B in the annex shows the changes in the 2020-21 Aggregate External Finance (AEF) when updating the RA data. This is to show the isolated effect the latest RA data has using the 2020-21 Settlement allocations. Swansea and Blaenau Gwent see the largest monetary increases in AEF of £164kk and £142k respectively. The largest monetary decreases in AEF are for Flintshire (down £204k) and The Vale of Glamorgan (down £200k)

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RO data

Financial implications

16. Table C in the annex show the changes in the 2020-21 AEF when updating the RO data. This is to show the isolated effect the latest RO data has using the 2020-21 Settlement allocations. Powys and Ceredigion see the highest monetary increases in AEF of £566k and £327k respectively. The largest monetary decreases in AEF are for Swansea and Flintshire (down £347k and £265k respectively).

RO and RA data combined

Financial implications

17. Table D in the annex shows the changes in the 2020-21 AEF when updating both the RO and the RA data. This is to show the combined effect the latest RO and RA data have using the 2020-21 Settlement allocations. Powys and Ceredigion see the highest monetary increases in AEF of £479k and £299k respectively. The largest monetary decreases in AEF are for Flintshire and The Vale of Glamorgan (down £462k and £375k respectively).

Conclusion

18. DSG are asked to consider the data, and whether this data provides a representative picture across the sectors, ahead of the 2021-22 settlement.
19. If so, it is the intention to use the latest (2020-21) RA data and latest (2019-20) RO data - in line with Society of Welsh Treasurers (SWT) principles. Further analysis of future updates will take place during the 2021 to investigate the impact covid-19 has had on the data.

Local Government Finance Policy and Sustainability Division Welsh Government

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Annex

Table A: Change in relative share of RA data, by sector, all Wales: 2019-20 to 2020-21¹

Service Sector	2019-20	2020-21	Difference p.p
Schools	43.7%	44.0%	0.3%
Non-Schools	0.7%	0.7%	0.0%
PSS	31.6%	31.7%	0.1%
Transport	3.5%	3.4%	-0.1%
Fire	2.7%	2.6%	0.0%
Other	17.9%	17.6%	-0.3%

Table B: Isolated change in 2020-21 total AEF, when updating the RA data from 2019-20 to 2020-21

	2019-20 RA	2020-21 RA	Difference (£000s)	%
Isle of Anglesey	101,005	100,968	-37	0.0%
Gwynedd	187,579	187,491	-88	0.0%
Conwy	161,398	161,512	114	0.1%
Denbighshire	151,932	151,910	-22	0.0%
Flintshire	199,386	199,182	-204	-0.1%
Wrexham	184,296	184,319	23	0.0%
Powys	184,289	184,208	-81	0.0%
Ceredigion	107,646	107,623	-23	0.0%
Pembrokeshire	172,204	172,181	-23	0.0%
Carmarthenshire	274,159	274,116	-43	0.0%
Swansea	339,381	339,545	164	0.0%
Neath Port Talbot	226,762	226,887	125	0.1%
Bridgend	203,127	203,085	-42	0.0%
The Vale Of Glamorgan	161,021	160,821	-200	-0.1%
Rhondda Cynon Taf	388,666	388,700	34	0.0%
Merthyr Tydfil	96,810	96,887	77	0.1%
Caerphilly	283,367	283,336	-31	0.0%
Blaenau Gwent	116,063	116,206	142	0.1%
Torfaen	140,467	140,501	34	0.0%
Monmouthshire	97,760	97,714	-46	0.0%
Newport	228,077	228,071	-6	0.0%
Cardiff	469,047	469,179	132	0.0%
Total Unitary Authorities	4,474,444	4,474,444		

¹ CTRS is fixed at a specific value and therefore is not included in the percentage shares.

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Table C: Isolated change in 2020-21 total AEF, when updating the RO data from 2018-19 to 2019-20.

	2018-19 RO	2019-20 RO	Difference	
			(£000s)	%
Isle of Anglesey	101,005	101,103	98	0.1%
Gwynedd	187,579	187,794	215	0.1%
Conwy	161,398	161,198	-201	-0.1%
Denbighshire	151,932	151,947	15	0.0%
Flintshire	199,386	199,122	-265	-0.1%
Wrexham	184,296	184,282	-13	0.0%
Powys	184,289	184,855	566	0.3%
Ceredigion	107,646	107,973	327	0.3%
Pembrokeshire	172,204	172,190	-14	0.0%
Carmarthenshire	274,159	274,191	31	0.0%
Swansea	339,381	339,033	-347	-0.1%
Neath Port Talbot	226,762	226,782	20	0.0%
Bridgend	203,127	203,064	-63	0.0%
The Vale of Glamorgan	161,021	160,839	-182	-0.1%
Rhondda Cynon Taf	388,666	388,554	-113	0.0%
Merthyr Tydfil	96,810	96,866	56	0.1%
Caerphilly	283,367	283,279	-88	0.0%
Blaenau Gwent	116,063	116,029	-34	0.0%
Torfaen	140,467	140,494	27	0.0%
Monmouthshire	97,760	97,769	9	0.0%
Newport	228,077	228,108	31	0.0%
Cardiff	469,047	468,972	-75	0.0%
Total Unitary Authorities	4,474,444	4,474,444		

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Table D: Isolated change in 2020-21 total AEF, when updating the RO and RA data from 2018-19 to 2019-20 and from 2019-20 to 2020-21 respectively

	2019-20 RA and 2018-19 RO	2020-21 RA and 2019-20 RO	Difference (£000s) %	
Isle of Anglesey	101,005	101,065	60	0.1%
Gwynedd	187,579	187,704	125	0.1%
Conwy	161,398	161,308	-90	-0.1%
Denbighshire	151,932	151,925	-7	0.0%
Flintshire	199,386	198,925	-462	-0.2%
Wrexham	184,296	184,307	11	0.0%
Powys	184,289	184,768	479	0.3%
Ceredigion	107,646	107,945	299	0.3%
Pembrokeshire	172,204	172,167	-37	0.0%
Carmarthenshire	274,159	274,146	-13	0.0%
Swansea	339,381	339,197	-184	-0.1%
Neath Port Talbot	226,762	226,903	141	0.1%
Bridgend	203,127	203,024	-103	-0.1%
The Vale of Glamorgan	161,021	160,646	-375	-0.2%
Rhondda Cynon Taf	388,666	388,588	-78	0.0%
Merthyr Tydfil	96,810	96,941	131	0.1%
Caerphilly	283,367	283,252	-115	0.0%
Blaenau Gwent	116,063	116,169	106	0.1%
Torfaen	140,467	140,527	60	0.0%
Monmouthshire	97,760	97,723	-38	0.0%
Newport	228,077	228,106	29	0.0%
Cardiff	469,047	469,108	61	0.0%
Total Unitary Authorities	4,474,444	4,474,444		